



Community Forest Legislation

The Washington Association of Land Trusts (WALT) unites 27 land trusts across the state to advance voluntary, collaborative conservation in order to protect and restore the lands that sustain us. WALT recognizes that locally-owned community forests offer an important opportunity to help protect the multiple benefits that forests provide, and allow for people living in rural areas to participate in forest management decisions that benefit their communities and quality of life. WALT supports the creation of a competitive grant program to support local entities in establishing community forests as proposed in HB 1946/SB 5873.

Frequently Asked Questions for HB 1946/SB 5873 (2019)

1. What does HB 1946/SB 5873 do?

This bill would create a new competitive grant program that would support entities such as cities, counties, tribes, non-profits, and agencies in creating community forests.

2. What are community forests?

Very simply, community forests are working forests that are owned and managed on behalf of local communities. Community forests are as diverse as the lands they occupy and the communities they represent but they all share a commitment to four common principles:

- The community has secured access and rights to the forest resource
- The community participates in management decisions
- The community receives value and benefit that reinforce local goals
- The conservation values of the forest are permanently protected

3. What is the impact of a community forest project on the tax base?

The intent of the draft legislation is to ensure that the local tax base and the local economy are significantly improved by the creation of a community forest. First, the draft legislation funds the creation of working forests, as evidenced by a forest

management plan describing revenue and costs related to the management of a working forest. Second, as these lands will remain working forests, it is the intent that all projects remain designated forestland subject to property taxes and the timber harvest excise tax. Third, beyond property taxes, local governments should benefit from the local effects of increased economic activity. All project applicants are required to consult with their local government and to ensure project compliance with local land use planning.

The “Economic Impacts” report submitted as part of DNR’s response to the Community Forest Program Development Proviso shows significant public benefits to local ownership and management of a community forest. The report looks at the example of Mount Adams Resource Stewards, which over the 3-year study period implemented eleven (11) timber harvests over its own property as well as neighboring public and private lands, which generated \$3.25 million in gross receipts¹ and contracts for forest management². Timber harvests resulted in the payment of \$26,000 in timber excise taxes.

4. How will this legislation impact the natural resources budget?

Funding for this new program would be part of the natural resources budget. The top-line budget is generally negotiated first, and then the amount for each program is determined. This program would be part of that process.

Follow-On Question: Is this program meant to be additive to the current natural resources budget? The program is not in the governor’s budget, which would mean increasing that request or reducing funding for other natural resources budget items.

5. What are the potential impacts of this legislation on local jobs?

Community forests generally engage in a labor-intensive restoration-oriented forest management, which typically requires multiple-entry thinning over a long period of time. As a result, community forests generally provide a relatively stable source of employment.

As an example, the “Economic Impacts” report found that the forest management activities of Mount Adams Resource Stewards generated 59 months of full-time equivalent (FTE) employment in the local economy (24 months direct impact, 35

¹ Gross receipts of \$379,449 and \$1,529,722 for MARS and other properties, respectively.

² Contracts of \$230,721 and \$1,110,144 for MARS and other properties, respectively.

months indirect impact).³ MARS gave preferential treatment to the local operators for all forest management contracts.

6. Will public funds be used to acquired property at a price exceeding fair market value?

No. All transactions will be conducted voluntarily and at fair market value, supported by an appraisal.

DNR is expected to require the appraisal comply with either the Uniform Appraisal Standards for Federal Land Acquisitions or the Uniform Standards of Professional Appraisal Practice. This is the rule that was adopted by RCO for all WWRP grant programs. See RCO, Manual 3, Acquisition Projects.

7. Does the legislation require the forest to stay as working forest?

A community forest is defined as a working forest owned and managed by the local community—it is therefore a core intent of this legislation to preserve working forests. To that end, the draft legislation requires the community forest to be managed consistent with a forest management plan, provide public benefits that includes economic benefits (such as timber and non-timber products and jobs), and generate revenues from forest management.

Community forest management plans would be adopted by the local sponsor. While no other entity would be required to approve the plans, note that a transparent, collaborative process is required for developing the community forest management plan (see response to question 4), and DNR has enforcement power to determine there was a conversion if a sponsor fails to have a collaborative, transparent process (see response to question 13).

This program follows a process that has worked effectively for the past five years with the U.S. Forest Service’s Community Forest and Open Space Conservation Program, after which many parts of this legislation are modeled. In the past five years, that program has funded approximately 38 projects nationwide for approximately \$12 million. Each of these projects has been individually responsible for creating a management plan that conforms with the governing statute of the funding program. The Forest Service conducts period spot-checks to ensure compliance.

³ . Due to the seasonal and temporary nature of most forest management contracts, job and employment figures have been reported here as months of full-time equivalent (FTE) employment at the median wage rate rather than as year-round FTE employment. Therefore, these activities should be seen as supplementing and complementing other earnings that local logging crews capture each year from other landowners in order to provide full-time, year-round work.

8. Should the legislature limit the program to protect land only for working forest purposes?

Washington's forests provide multiple benefits for local communities. It is the intent of this legislation to establish community forests as a natural resource asset to ensure that these multiple benefits are accessible and persist long into the future.

We believe that the public interest is served by community forests operated for the multiple benefits described in the legislation – including economic benefits from timber jobs and non-timber jobs, securing a clean drinking water source, providing educational opportunities, recreational and cultural activities such as hunting and fishing, to name a few. The strength of a community-operated forest is that it can serve any combination of these benefits. While it is the intent of this legislation to support working forests, we acknowledge that a community may want to manage a parcel or a project to different ends, and that this is likely to shift over time. Accordingly, we would like to give the community ample autonomy to determine how best to serve the communities interests by not imposing that all parcels and all projects are maintained as working forests at all times.⁴

9. Are projects self-sufficient, or will they require ongoing appropriations to support operating expenses?

Community forests will necessarily generate revenues from forest management in order to meet ongoing operating costs. It is a requirement of the draft legislation that applicants include a plan of operations that shows how they intend to meet this expectation.

It is also important to recognize that community forest projects are an extension of local governments, Tribes and non-profit organizations. The long-term sustainability of these projects is tied to the viability of these organizations. These organizations use multiple revenue streams to support themselves including timber harvests, grants, foundation support, fee-for- services etc.

10. What protects the public interest if a community forest fails?

All awards proposed through this legislation would include a deed of right. The deed of right is recorded on the property title before state funding is awarded to the project, and is the legal mechanism by which DNR can ensure the awardee continues to manage the property consistent with the project award and the statute. The deed

⁴ While this community-based forestry is the heart of the community forest concept, it is also important to the constitutional analysis related to the gift of public funds. That doctrine requires that the State receive a public benefit in exchange for the funds appropriated. We believe the legislation is stronger if a community can pursue these multiple public benefits.

of right is meant to ensure that the public benefits described in the legislation cannot be extinguished.

There is a provision that allows community forests to transfer between eligible entities at no cost. This will ensure that the broader network of community forests and the Department of Natural Resources will be able to “backstop” any community forest that has temporary or enduring problems managing a particular property.

The owner of a community forest is responsible for any violation of law, as would be the case under any other form of ownership. If there is any failure to follow state forest practices and habitat conservation plans, or a constituent part thereof such as road maintenance or critical habitat requirements, then the owner could be sued or otherwise subject to any remedy available under the law.

11. What is the administration rate for this program?

DNR will establish a budget to build out the program. Initial budgeting suggests and administration rate of approximately 15%.

12. Why have DNR administer the program?

The legislation was developed in collaboration with both DNR and RCO. The program is fully aligned with DNR’s Rural Communities Partnership Initiative to support working lands and the communities that depend on them, as well as DNR’s initiative to address forest health across public and private lands.

13. How is this funding different from other existing programs?

No state-level program exists for funding projects that provide multiple benefits to their local communities. Other sources of funding impose restrictions on land management, and some of these restrictions could make it difficult to maintain land as working forests.

There are federal programs—the Community Forest and Open Space Grant Program and the Forest Legacy Program—that provide partial funding for the creation of community forests and/or preservation of working forests. All of these federal programs require matching funds, which creates the need to find additional funding to create community forests. This new state program would therefore allow Washington-based community forests to leverage existing federal funding.

14. How is this different from the existing DNR Community Forest program?

DNR’s Community Forest Trust program is an important tool for the agency to be able to buy and protect lands that are at risk of conversion. DNR can then manage

these lands without the same financial requirements and with greater community input than other trust lands. This is especially important in places where communities might not have the capacity to own and manage big tracts of forestland on their own.

However, there is still a need for public investment in locally-owned community forests for those communities that have the capacity, know-how and opportunity to develop a community forest project of their own. The demand for such a program is evidenced by the response to DNR's request for projects – 20 shovel-ready projects totaling 200,000 acres, with more projects being developed.

This legislation is a mechanism to allow state funding to match already existing sources of funding for community forests, such as the federal community forest legislation. Legislation is needed to create system to fairly and equitably fund projects across the state, rather than pursue ad hoc budget appropriations.